

AMENDED IN ASSEMBLY APRIL 11, 2005
AMENDED IN ASSEMBLY FEBRUARY 7, 2005
CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 84

Introduced by Assembly Members Leslie and Laird

January 5, 2005

An act to amend Section 5060 of, and to add Article 8.6 (commencing with Section 5151) to Chapter 1 of Division 1 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 84, as amended, Leslie. Vehicles: special interest license plates.

Existing law requires the Department of Motor Vehicles to issue certain special interest license plates, including specific special environmental design license plates, in accordance with a specified procedure. *Existing law requires a sponsoring organization to be tax exempt.* Existing law requires, before special interest license plates may be issued, at least 7,500 applications for the special interest license plates to be received by the department.

This bill would refer to a sponsoring person instead of a sponsoring organization, and, for a person applying after January 1, 2006, would eliminate the requirement that a sponsoring person qualify for tax-exempt status.

The bill would create a new specialized license plate program that would require the issuance of those plates to have a design or contain a message that publicizes or promotes a state agency, as defined, or the official policy, mission, or work of a state agency. The bill would subject the issuance of those license plates to other, existing

requirements, and limit the disposition of additional fees collected under this program, as specified.

This bill would, *subject to the above requirements*, require the department, in consultation with the Sierra Nevada Conservancy, to design and make available for issuance special environmental design license plates bearing a ~~full-plate~~ graphic design depicting a significant feature of the Sierra Nevada Region, as specified. The bill would require an applicant for these license plates to pay, in addition to regular fees for an original registration or renewal of registration, specified additional fees. The bill would require the department to deposit the additional fees, less the department's administrative costs and *with* one specified exception, in the Sierra Nevada Conservancy Account, which the bill would create in the California Environmental License Plate Fund. The bill would require, upon appropriation by the Legislature, the Controller to allocate the money in the account to the Sierra Nevada Conservancy for expenditure consistent with the conservancy's objectives. The bill would require the conservancy to annually report to the Legislature on ~~it~~ *its* use and expenditure of the money in the account.

~~The bill would exempt these special interest license plates from the 7,500 application requirement, if a private party or nonprofit organization provides to the department moneys that are sufficient to cover the initial set-up costs for creating these special interest license plates.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The Sierra Nevada Region is a globally significant area
- 4 that includes many national and state parks, the highest peaks in
- 5 the 48 contiguous states, and large, pristine areas that are open
- 6 for public use.
- 7 (b) The Sierra Nevada Region is an important part of the
- 8 state's economy, and provides substantial agricultural products,
- 9 timber resources, ranching, mining, tourism, and recreation.
- 10 (c) The Sierra Nevada Region provides 65 percent of the
- 11 state's developed water supply and nearly all of the water supply

1 for western Nevada. As California's principal watershed, the
2 region is the critical source of water for urban and rural parts of
3 northern and southern California.

4 (d) The Sierra Nevada Conservancy has been created to work
5 in cooperation with local governments, private businesses,
6 nonprofit organizations, and the public, as a lead agency in
7 funding investment in the natural and human resources of the
8 Sierra Nevada Region.

9 (e) Thus, the state honors the unique importance of the Sierra
10 Nevada Region by creating a Sierra Nevada license plate
11 consistent with the special interest license plate program as
12 described in Section 5060 of the Vehicle Code.

13 SEC. 2. The Legislature finds and declares all of the
14 following:

15 (a) The United States District Court for the Eastern District of
16 California in *The Women's Resource Network v. Steven Gourley*
17 (2004) 305 F. Supp. 2d 1145 permanently enjoined the Director
18 of the California Department of Motor Vehicles from issuing any
19 new special interest license plate to private, nonprofit
20 organizations under the current provisions of Section 5060 of the
21 California Vehicle Code, unless the state establishes "neutral
22 criteria to ensure that the plate licensing decision is not based on
23 the content or viewpoint of the speech being considered."

24 (b) The court did not enjoin the Director of the Department of
25 Motor Vehicles from issuing any special interest license plate
26 that is government speech that promotes California's state
27 policies.

28 (c) This bill intends to clarify the framework for special
29 interest license plates that contain only government speech,
30 leaving the issue of special interest license plates designed for the
31 benefit of private entities to other legislation.

32 (d) Revenue generated from special license plate programs
33 provides a positive way to supplement funding for important
34 governmental programs without any cost to the General Fund or
35 an increase in taxes.

36 SEC. 3. *Section 5060 of the Vehicle Code is amended to read:*

37 5060. (a) ~~An organization~~—A person may apply to the
38 department for participation in a special interest license plate
39 program and the department shall issue special license plates for
40 that program if the issuance of those plates is required by this

1 article, the sponsoring ~~organization~~ *person* complies with the
2 requirements of this section, and the ~~organization~~ *person* meets
3 all of the following criteria:

4 (1) ~~Qualifies~~ *For any organization applying prior to January*
5 *1, 2006, qualifies* for tax-exempt status under Section 501(c)(3)
6 of the Internal Revenue Code and Section 23701d of the Revenue
7 and Taxation Code.

8 (2) Submits a financial plan describing the purposes for which
9 the revenues described in paragraph (2) of subdivision (e) will be
10 used.

11 (3) Submits a design of the ~~organization's~~ *person's* proposed
12 special interest license plate that, among other things, provides
13 for the placement of the number and letter characters in a manner
14 that allows for law enforcement to readily identify those
15 characters.

16 (4) *For any person applying after January 1, 2006, submits a*
17 *design of the person's proposed special interest license plate that*
18 *meets the requirements of subdivision (a) of Section 5152.*

19 (b) Any person described in Section 5101 may apply for
20 special interest license plates, in lieu of the regular license plates.

21 (c) The design criteria for a special interest license plate are as
22 follows:

23 (1) The license plate for a passenger vehicle, commercial
24 vehicle, or trailer shall provide a space not larger than 2 inches
25 by 3 inches to the left of the numerical series and a space not
26 larger than five-eighths of an inch in height below the numerical
27 series for a distinctive design, decal, or descriptive message as
28 authorized by this article. The plates shall be issued in sequential
29 numerical order or, pursuant to Section 5103, in a combination of
30 numbers or letters.

31 (2) Special interest license plates authorized under this article
32 may be issued for use on a motorcycle. That license plate shall
33 contain a five digit configuration issued in sequential numerical
34 order or, pursuant to Section 5103, in a combination of numbers
35 or letters. There shall be a space to the left of the numerical series
36 for a distinctive design or decal and the characters shall contrast
37 sharply with the uniform background color. No motorcycle plate
38 containing a full plate graphic design is authorized. Those
39 particular special interest license plates that were issued prior to
40 the discontinuation provided by this paragraph may continue to

be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(d) (1) No ~~organization~~ *person* may be included in the program until not less than 7,500 applications for the particular special interest license plates are received. Each ~~organization~~ *person* shall collect and hold applications for the plates. Once the ~~organization~~ *person* has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue any special interest license plate until ~~an organization~~ *a person* has received and submitted to the department not less than 7,500 applications for that particular special interest license plate within the time period prescribed in this section. Advanced payment to the department by ~~an organization~~ *a person* representing the department's estimated or actual administrative costs associated with the issuance of a particular special interest license plate shall not constitute compliance with this requirement. The ~~organization~~ *person* shall have 12 months, following the effective date of the enactment of the specific legislation enabling the ~~organization~~ *person* to participate in this program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the ~~organization~~ *person* shall immediately do either of the following:

(A) Refund to all applicants any fees or deposits that have been collected.

(B) Contact the department to indicate the ~~organization's~~ *person's* intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If ~~an organization~~ *a person* elects to exercise the option under this paragraph, it shall contact each applicant who has submitted an application with the appropriate fees or deposits to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until that time that the ~~organization~~ *person* has received 7,500 applications. The ~~organization~~ *person* shall refund the fees or deposits to any applicant so requesting. In no event shall ~~an organization~~ *a person* collect and hold applications for a period

1 exceeding 24 months following the date of authorization as
2 described in paragraph (2) of subdivision (a).

3 (C) Sequential plate fees shall be paid for the original
4 issuance, renewal, retention, replacement, or transfer of the
5 special interest license plate as determined by the ~~organization~~
6 *person* and authorized by department's regulations. Those plates
7 containing a personalized message are subject to the fees
8 required pursuant to Sections 5106 and 5108 in addition to any
9 fees required by the special interest license plate program.

10 (2) (A) If the number of currently outstanding and valid
11 special interest license plates in any particular program provided
12 for in this article is less than 7,500, the department shall notify
13 the sponsoring ~~organization~~ *person* of that fact and shall inform
14 the ~~organization~~ *person* that if that number is less than 7,500 one
15 year from the date of that notification, the department will no
16 longer issue or replace those special interest license plates.

17 (B) Those particular special interest license plates that were
18 issued prior to the discontinuation provided by subparagraph (A)
19 may continue to be used and attached to the vehicle for which
20 they were issued and may be renewed, retained, or transferred
21 pursuant to this code.

22 (e) (1) The department shall deduct its costs to develop and
23 administer the special interest license plate program from the
24 revenues collected for the plates.

25 (2) The department shall deposit the remaining revenues from
26 the original issuance, renewal, retention, replacement, or transfer
27 of the special interest license plate in a fund which shall be
28 established by the Controller.

29 (f) When payment of renewal fees is not required as specified
30 in Section 4000, or when a person determines to retain the
31 special interest license plate upon a sale, trade, or other release of
32 the vehicle upon which the plate has been displayed, the person
33 shall notify the department and the person may retain and use the
34 plate as authorized by department regulations.

35 (g) ~~An organization~~ *A person* that is eligible to participate in a
36 special interest license plate program pursuant to this article and
37 receives funds from the additional fees collected from the sale of
38 special license plates shall not expend annually more than 25
39 percent of those funds on administrative costs, marketing, or

1 other promotional activities associated with encouraging
2 application for, or renewal of, the special license plates.

3 (h) (1) Every ~~organization~~ *person* authorized under this article
4 to offer special interest license plates shall prepare and submit an
5 annual accounting report to the department by June 30. The
6 report shall include an accounting of all revenues and
7 expenditures associated with the special interest license plate
8 program.

9 (2) If ~~an organization~~ *a person* submits a report pursuant to
10 paragraph (1) indicating that the ~~organization~~ *person* violated the
11 expenditure restriction set forth in subdivision (g), the
12 department shall immediately cease depositing fees in the fund
13 created by the Controller for that ~~organization~~ *person* under
14 paragraph (2) of subdivision (e) and, instead, shall deposit those
15 fees that would have otherwise been deposited in that fund in a
16 separate fund created by the Controller, which fund is subject to
17 appropriation by the Legislature. The department shall
18 immediately notify the ~~organization~~ *person* of this course of
19 action. The depositing of funds in the account established
20 pursuant to this paragraph shall continue until the ~~organization~~
21 *person* demonstrates to the satisfaction of the department that the
22 ~~organization~~ *person* is in compliance or will comply with the
23 requirements of subdivision (g). If one year from the date that the
24 ~~organization~~ *person* receives the notice described in this
25 paragraph, the ~~organization~~ *person* is still unable to satisfactorily
26 demonstrate to the department that it is in compliance or will
27 comply with the requirements of subdivision (g), the department
28 shall no longer issue or replace those special interest license
29 plates associated with that ~~organization~~ *person*. Those particular
30 special interest license plates that were issued prior to the
31 discontinuation provided by this paragraph may continue to be
32 used and attached to the vehicle for which they were issued and
33 may be renewed, retained, or transferred pursuant to this code.

34 (3) Upon receiving the reports required under paragraph (1),
35 the department shall prepare and transmit an annual consolidated
36 report to the Legislature containing the revenue and expenditure
37 data.

38 ~~SEC. 3.~~

39 *SEC. 4.* Article 8.6 (commencing with Section 5151) is added
40 to Chapter 1 of Division 1 of the Vehicle Code, to read:

Article 8.6. Special Interest License Plates

5151. It is the intent of the Legislature that this article contain the ~~authorizations~~ authority for specialized license plates for federal, state, and local governmental purposes issued on and after January 1, 2006, state agencies.

5152. Specialized license plates issued under a program provided for in this article shall comply with the following:

(a) The license plates shall have a design or contain a message that publicizes or promotes a state agency or the official policy, mission, or work of a state agency.

(b) All fees received from the sale of the specialized license plates that are in excess of the regular fees for the original issuance of the license plates, renewal of registration with plates, transfer of license plates to another vehicle, or substitute replacement of the license plates shall be deposited in an account or fund provided for in this article, and the allocation of those funds shall be subject to appropriation by the Legislature.

(c) As used in subdivision (a), “state agency” means every state office, officer, department, division, bureau, board, commission, or other state body or agency.

5171. (a) The department, in consultation with the Sierra Nevada Conservancy, shall design and make available for issuance under this article special environmental design license plates as described in this section. *The special environmental design license plates issued under this section are subject to the initial qualifying and continuing application, accounting, and reporting requirements of Section 5060.* Notwithstanding subdivision (c) of Section 5060, the special environmental design license plates shall bear a ~~full-plate-graphic~~ design depicting a significant feature of the Sierra Nevada Region. A person described in Section 5101 may, upon payment of the additional fees set forth in subdivision (b), apply for and be issued a set of special environmental design license plates. Notwithstanding subdivision (a) of Section 5060, the special environmental design license plates may be issued as environmental license plates, as defined in Section 5103.

(b) In addition to the regular fees for an original registration or renewal of registration, the following additional fees shall be paid for the issuance, renewal, or transfer of the special

environmental design license plates authorized pursuant to this section:

- (1) For the original issuance of the plates, fifty dollars (\$50).
- (2) For a renewal of registration with the plates, forty dollars (\$40).
- (3) For transfer of the plates to another vehicle, fifteen dollars (\$15).
- (4) For each substitute replacement plate, thirty-five dollars (\$35).

(5) In addition, for the issuance of environmental license plates, as defined in Section 5103, with a ~~full-plate graphic~~ design described in subdivision (a), the additional fees prescribed in Sections 5106 and 5108. The additional fees prescribed in Sections 5106 and 5108 shall be deposited in the California Environmental License Plate Fund.

(c) Except as provided in paragraph (5) of subdivision (b), and after deducting its administrative costs under this section, the department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of special environmental design license plates issued under this section in the Sierra Nevada Conservancy Account, which is hereby created in the California Environmental License Plate Fund. Upon appropriation by the Legislature, the money in the account shall be allocated by the Controller to the Sierra Nevada Conservancy for expenditure consistent with the objectives of the Sierra Nevada Conservancy.

(d) The Sierra Nevada Conservancy shall report to the Legislature on or before June 30 of each year on its use and expenditure of the money in the Sierra Nevada Conservancy Account, beginning one year after the initial issuance of the special interest license plates authorized by this section.

~~(e) Notwithstanding paragraph (1) of subdivision (d) of Section 5060, if a private party or nonprofit organization provides to the department moneys that are sufficient to cover the initial set-up costs for creating the special environmental design license plates described in this section, and that amount of moneys is sufficient that if none of these special interest license plates were actually sold the department would not have incurred outstanding administrative costs related to these special interest license plates, the department shall begin immediately issuing~~

1 ~~these special interest license plates upon their availability, rather~~
2 ~~than waiting until 7,500 applications have been received for these~~
3 ~~special interest license plates.~~

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